

# **TRANSCRIPT**

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**TRANSCRIPT OF PENNSYLVANIA FARM BILL FORUM LISTENING SESSION  
WITH AGRICULTURE SECRETARY MIKE JOHANNIS AND MODERATOR ROBERT  
STEELE, DEAN OF THE COLLEGE OF AGRICULTURE SCIENCES AT  
PENNSYLVANIA STATE UNIVERSITY AG PROGRESS DAYS IN UNIVERSITY  
PARK, PA ON AUGUST 16, 2005**

MODERATOR: Leading us in the Pledge of Allegiance is Ms. Jessica Beighley from the state 4-H Council and Ms. Candace Moore, our FFA state president.

[The Pledge of Allegiance is recited.]

MODERATOR: Singing our National Anthem this morning is Ms. Amy Lawrence, an FFA member from the Wilmington FFA chapter.

[The National Anthem is sung.]

MODERATOR: Thank you, Amy, Jessica, and Candace.

My name is Bob Steele. I'm the dean of the College of Agricultural Sciences here at Penn State, and I'm pleased to again welcome you all here to this Farm Bill listening session.

Why I'm here this morning is not as the dean of the College of Ag Sciences but as the moderator of this session. It's fitting I think for us to have this session here at Penn State which as many of us here know is the oldest college of agriculture in the United States where this year we are celebrating along with Michigan State University our sesquicentennial, 150 years as being a college of agriculture.

It's also fitting that we're on the campus that awarded the first undergraduate and graduate degrees in agriculture in all of the United States here at Penn State in 1861.

It's also fitting I think for us to be here in the Commonwealth to host this session because again as we all know and we're so proud of Penn State and the Commonwealth launched the first county ag agent in all of the United States here in Bedford County. Today we have County Extension in virtually every county all across the United States. So we're very, very proud of our history and of our heritage, but we're even more excited about our future. Of course the Farm Bill is about the present but it's also about the future.

We are blessed in Pennsylvania by having in our ag sector an extremely dedicated and effective group of legislators in our federal and congressional delegation. We're so pleased this morning to have with us representing that delegation Congressman Don Sherwood who represents Pennsylvania's 10th District in the U.S. House of Representatives. He was elected to his fourth term in November 2004. The 10th District includes the counties of Bradford, Montour, Northumberland, Pike, Union, Snyder, Sullivan, Susquehanna, Wayne and Wyoming,

and parts of Lackawanna, Luzerne and Lycoming counties. Ladies and gentlemen, please join me in giving a warm welcome to Congressman Don Sherwood who will introduce Secretary Johanns.

[Applause.]

REP. DON SHERWOOD: Thank you. Thank you Dean, thank you for being here and I appreciate your being the moderator today and Penn State putting on this great forum. This is a wonderful opportunity for Pennsylvania to have their voice heard by the Secretary of Agriculture about what's going to be in the next farm bill. And I am very pleased to have Denny Wolff here, our Secretary of Agriculture and the Governor's representative.

Pennsylvania is the number one state in the Northeast in a great deal of things and I'm sure that today the Secretary will get an appreciation for what we do. And after all agriculture is our number one industry in Pennsylvania and nationally we are number one in growth of mushrooms, number one in veal and, very importantly, we are number four in dairy production in the whole U.S. We're number two in number of dairy farmers second only to Wisconsin and we are fourth to California, Wisconsin, New York and Pennsylvania in milk production. And it's going to be very important in this farm bill that we reauthorize the milk program, which helps our farmers keep things together in times of crisis.

And I'd to stress how important it is going to be for the future of the U.S. to have a strong agriculture industry and a strong dairy industry that is spread out across the whole country. We are worried today about the environment, we are worried today about food security and we are worried today about our reliance on foreign oil, foreign sources of energy. Well to have a vibrant agricultural production section here in the Northeast, specifically in Pennsylvania, where we are so close to the national population makes all the sense in the world. We need our dairy production spread out across the country. You know environmentally it is pretty benign in small groups. It's good for the soil. It's close to the markets. We have the water. We have the traditional work force. We have the know-how. It is important that we keep dairy vital in the Northeast. And it's important for many, many reasons. And I think we will see that today as you talk and as we listen.

To have this session, we have a farm bill every five years and we all agree it isn't perfect. But it is very hard to get one put together that has everything we need, so this is our chance today to stress to the Secretary what's important to Pennsylvania. And it is my distinct pleasure to introduce to you today the Secretary of Agriculture. He grew up on a dairy farm in Iowa. He is from Nebraska. He was the Mayor of Lincoln then became the Governor of Nebraska. He likes to say that he is the son of a farmer, who is passionate about agriculture. What better man could we have to lead us through the next few years in agriculture than the son of a farmer who's passionate about agriculture. I'd like to introduce to you Secretary of Agriculture Mike Johanns.

[Applause.]

SEC. MIKE JOHANNNS: Thank you very much. That's very nice of you. Thanks. Thank you. That was great introduction. I appreciate it, Congressman, immensely. Thank you for the warm welcome. And ladies and gentlemen, let me also say to you thank you for the warm welcome.

Reminds me of a story I tell periodically. A few years back I'd just been elected governor of Nebraska. But I hadn't been sworn in yet. It was in that space of time between election and inaugural, and I was asked to go to Kearney, Nebraska, and be an evening speaker at an event. So my wife Stephanie and I drive out there and we get out there and same sort of deal—very nice introduction by someone. As I'm making my way to the podium, everybody stood up and applauded. So I got the podium and I said, "You know, ladies and gentlemen, that's really very nice of you but I haven't done anything yet." And somebody in back yelled out, and when you do we won't be standing. So.

[Laughter.]

It is great to be here. The congressman mentioned that I grew up on a farm. I did grow up on a dairy farm in Iowa, North Central Iowa. I see a little bit of confusion on your face, so I better tell you where that was at. It was near a community called Osage, Iowa. I still see confusion out there, so I better clear up where Osage is at. You'll be thinking about that while we're trying to concentrate on farm policy. Osage, Iowa, is south of Stacyville and St. Ansgar, straight east of Manley. So now you know where Osage is at.

[Laughter.]

My father had three sons, and his idea of building character in his sons was, he handed us a pitchfork and we went out to the dairy barn or the hog house and we stood knee-deep in you know what and started pitching. That was John Johannis' idea of building character in his sons. Little did he know what he was doing, he was preparing me for my life in politics, right? So.

Well, enough of that. It is great to be here. I want to remember my manners and thank the people that have been involved in this. Again I acknowledge the congressman. Congressman you're on the Appropriations Committee if I have my intelligence correctly. To the folks in Pennsylvania, there's a lot of committees you want to be on that are extremely important. But Appropriations is very definitely at the top of that last and not everybody ends up there, so I congratulate you. Course my budget hasn't been approved yet so I am laying it on. No, I appreciate your good work there.

[Laughter.]

Then I want to thank Dean Steele. We appreciate your willingness to be the moderator here.

We had a boy scout troop 83 from, is it Juanita Valley? Juanita, see in Nebraska that is pronounced Junietta. Juanita Council Color Guard. We want to say thank you to them and then to Amy Lawrence who sang the National Anthem. Didn't she do a great job? Wow.

[Applause.] Amy is an FFA member and you will see the blue jackets here and green for 4-H. I was in 4-H and FFA and so we've made sure that they are a part of these forums as we've done them across the country. Jessica and Candace from 4-H and FFA, they led us in the Pledge of Allegiance and then to the folks associate with Ag Progress days and our USDA staff out here. Thank you so very much. I got a T-Shirt. Did you notice? A special thanks to Ag Progress for that.

What a great crowd, ladies and gentlemen. Thank you so much for coming here. I'm excited to be in Pennsylvania. We're going to see as we go through these minutes and few hours together mostly what I'm going to be doing is listening and taking notes. I have a few thoughts to get us started here today. Right after that I'm going to sit back in the chair and listen to what you've got to say.

Every idea, every concept is worthy of consideration. So get up here and offer your thoughts.

I want to mention one specific program because the Congressman has mentioned it and we happen to agree with the Congressman on this one and that's the MILC program. Dairy is a very large industry in the state. It's near and dear to my heart. I want you to know and I will

reiterate again what the President has said on a number of occasions. We are committed to working with Congress on the continuation of that MILC program. It was due to expire and so we want to continue that through the farm bill.

[Applause.]

This is our seventh Farm Bill Forum. It's a nationwide tour. We are excited about the tour. We've had such a great response and it's continued here in Pennsylvania with this great crowd.

I bring you greetings from a great friend. Every time I'm with the President he wants to know, how are the forums going? He was the one that encouraged me to get across the country and listen to farmers and ranchers. And he has a tremendous amount of interest in what we're doing. I think maybe we've got a message from the President of the United States. Is that right? Maybe we don't. Well I bring you greetings from the President then.

I was with him just a week ago on his ranch in Crawford. We spent a great deal of time talking about the forums and how they're going. I said during my confirmation hearings that I do not accept the notion that all good ideas are conceived in government offices. And I meant it. I said also during the confirmation hearings that I intended to be a very proactive Secretary, and get out across the country to work with farmers and ranchers, and here we are.

So much has changed in agriculture. That farm I was so privileged to grow up on in Osage, Iowa, is a very different sort of farm than when I grew up. It was a privilege for me to spend my childhood there. As we think about farm policy we definitely want to make sure that one of the things we doing right is providing of entry for young people into agriculture. I feel very strongly about that.

[Playing of videotape of President George Bush]

PRES. GEORGE W. BUSH: "Thanks for letting me speak to you at this Farm Bill Forum. America's farm and ranch families provide a safe and abundant food supply for our people and for much of the world. You represent the best values of America -- stewardship of the land, hard work and independence, faith, service and community.

"Mike Johanns understands the importance of America's farmers to our country, which is why I chose him to lead our Department of Agriculture. I'm proud of his work, and he will lead our efforts on the next Farm Bill. Secretary Johanns and I believe the first step in this process is to ask each of you how today's Farm Bill is working and how it can be better.

"As we look to improve America's farm policy, we will continue to focus on the following goals.

"See, America has about 5 percent of the world's population which means 95 percent of your potential customers are overseas. So one of our goals must be to ensure that America's farmers and ranchers have access to open, global markets.

"A second goal is that we want future generations to have plenty of opportunities to go into agriculture.

"Thirdly, we need cooperative conservation that encourages good stewardship of our land and natural habitats.

“We also need to act wisely in delivering help to our nation’s producers. And we must promote cutting-edge agricultural products and research.

“Finally, we must ensure good quality of life in rural America. The Farm Bill is important legislation that meets real needs. The next Farm Bill should further strengthen the farm economy and preserve this way of life for farmers and ranchers of the future.

“Hearing your advice is an important step toward meeting these goals. I thank you for all you do for our country, and thank you for listening.”

[End of video]

SEC. JOHANNIS: All right. There's your president.

We today are also going to announce a couple more forums out there. August 25 we're going to be in Alabama. August 26 we're going to be New Mexico. I would encourage you to stay in touch on our website, [WWW.USDA.GOV](http://WWW.USDA.GOV). It's an excellent website. You can go directly to an area that deals with the Farm Bill Forums. There's an opportunity there also to provide input. So if you don't get to say everything you'd like to say today, the website is there and it's available.

I also want to mention that my Deputy will be doing a Farm Bill Forum in Indiana and in Alaska and Undersecretary Mark Rey will hold a forum on Thursday in Wyoming.

We have identified six areas that we would like to hear about. We are not going to be especially rigid about this. If you've got something on your mind we want to hear about it. But these are six areas that help us kind of organize our thinking about the Farm Bill. Challenges for new farmers would be the first area. Are there unintended consequences with the current farm policy, that makes it difficult for young farmers, young farm families to get involved in agriculture.

The second question relates to competitiveness. We must remain competitive in domestic and global markets in order to succeed. That's a given. Twenty-seven percent of our farm receipts come from the export markets, 27 percent.

The third question relates to farm program benefits. Is the current distribution of benefits the most effective, and is it the most fair distribution of benefits.

The fourth area relates to conservation. We want to hear from you. What do you think's working? What's not working here in Pennsylvania.

The fifth area relates to rural economic development. Not every young person that grows up in a rural area, farm, ranch or small town, will end up being a farmer or rancher. On the other hand, we believe that if they want to stay in the community where they grew up, there should be economic opportunity. What can we do to improve the Rural Development efforts? What have we done in the past that has worked?

The sixth question which I'm sure the Dean will have an interest in is the expansion of ag products, markets and research. What are we doing in this area that's been helpful? What might we do in addition to what we've been doing?

Again, ladies and gentlemen, for me until I get to the wrap-up portion of the program this is going to be about it. I'm going to sit back and like I said I'm going to take some notes. This is

your opportunity. The more time I take and comment or reacting to what you say the less time for the next speaker. So my goal here is to be a good listener and hear what you have to say.

Thank you all for being here.

MODERATOR: We're going to move on into the program now. My role is the moderator. My job is to make sure everybody has a fair chance to come to the mike and say what's on your mind. We have a red, green, yellow light system here. You have two minutes to speak, so we'll see it go from green to yellow to flashing red. We are prepared to cut off the mikes. We hope we don't have to do that of course. So please try and keep your comments to two minutes. There are two mikes in the back of the room -- one to my left and one to my right, and you can just get in line there and speak when your turn comes.

At 10:25 in roughly one hour from now we'll take a 10-minute break. As the Secretary mentioned we want to keep your comments to the six areas he just described. Also, there are other USDA specialists here in the room and outside if you have a very specific question that USDA can help you with. There are specialists here who can address your issues one-on-one. Your comments are also welcome by e-mail at the website that the Secretary mentioned at [WWW.USDA.GOV](http://WWW.USDA.GOV). USDA will assure you that those comments submitted via the web are given the same equal treatment and weight as the comments expressed here today.

All of the session is being recorded and a transcript of this session will appear on the USDA website once the folks have had a chance to get the transcribing done.

For the benefits of the transcript when you come to the mike introduce yourself, give your name and the city or community that you're from before offering your comments.

As the Secretary mentioned, this is about today, and it's also about tomorrow. What better way to start than to ask some of our young people to give their comments at the beginning. So let's begin with some comments from some of our young folks and we'll start here to my right. Thank you.

MR. MARK LOWERY: Good morning, ladies and gentlemen. My name is Mark Lowery. I'm currently serving as the national officer candidate for the Pennsylvania FFA Association this year. On behalf of the nearly 8,000 members of Pennsylvania FFA Association I would like to welcome Secretary Johanns to the Commonwealth of Pennsylvania and Ag Progress Days and also thank Dean Steele, Congressman Sherwood, Secretary Wolff, representatives from Farm Bureau, Pennsylvania Department of Agriculture and everyone here who is passionate about the agriculture industry. Thank you for your presence.

So why is agriculture education so important to the future of our nation? As we all know, agriculture is an essential industry, not only here in Pennsylvania but in the United States. Annually American farmers produce 18 percent of the world's food on just 10 percent of the earth's land mass. Agriculture also accounts for 24 million jobs, which is about 17 percent of the total United States work force. These two simple statistics show the importance and economical impact of the future of agriculture in our nation.

And the best way to guarantee that future is the continued support of the 7,223 agriculture education programs across our nation. Agriculture education programs build the foundation for the industry by teaching new practices to increase the productivity of each acre of farmland, leadership skills by involvement with the National FFA organization and new technology.

Today farmers are more productive than ever, and we can credit education with that. The government must continue to work cooperatively with education programs to provide the best educational materials, sufficient funding through the Carl Perkins Act and access to that cutting edge technology to make sure that students are well-prepared and that those who are passionate about the agriculture industry have the ways and means to secure our future.

As we look forward into the future, as a representative of a youth organization, I hope we can continue to build the foundation we have at the FFA and also with 4-H to make sure we meet the challenge of the future head-on so there can be no surprises. The half a million members of the National FFA organization are a living testament to the success of intercurricular agricultural education programs. As those members actively participate in career development events, supervised agricultural experiences that give them the practical experience they need to be productive agriculturalists in the next century.

Pennsylvania FFA Association strongly urges all of you to support agriculture education in the 2007 Farm Bill, and we also appreciate all the support we get from all of the people in the Commonwealth of Pennsylvania and on the national level. Thank you for giving me the opportunity to be here today and also all the members of Pennsylvania FFA. Thank you for being here.

[Applause.]

MODERATOR: Thank you, Mark. To my left. Before you begin, no one in this room is going to complain about the rain, right?

MS. TRICIA KNIGHT: Thank you, Dean Steele. Mr. Secretary, welcome to Pennsylvania and thank you for including our Commonwealth in the nationwide Farm Bill listening tour. I feel honored to have the opportunity to represent both 4-H and Pennsylvania's next generation of agriculture here today. I am Tricia Knight, and I'm a Pennsylvania State 4-H Council Sentinel, and I live on an 800-acre dairy farm down in Southern York County.

The upcoming Farm Bill will play an important role in the future of farmers. It will provide farmers with needed extra money to help provide for growing costs of fuel, production, employees and insurance. So hopefully consumer prices will not inflate. To Maximize United States competitiveness they should start paying attention to the challenges facing new farmers or ranchers today. The United States competitiveness is weakened by the high land prices that are paired with the low farmers' incomes today, especially comparing it to other countries' very low land prices.

On distribution of funds in the Farm Bill, I do not think we should punish farmers for wanting to increase their size. That should be their option. But if we put a 1 percent cap on payment limitation with no loopholes, like commodity certificates or imbedded entities, we can be fair to both big and small farmers.

Some people feel the government subsidies are urging farmers to produce more. But farmers big and little need to produce more to stay productive in today's market with the high cost of all their materials. We don't want to become a concrete country, with no farms or grass, and have to be at the mercy of other countries for our food. We want to produce it but we also want to get a fair price for our efforts.

Farm policy should be flexible to allow various activities that help with agricultural expansion. And being able to get involved in agriculture through 4-H has helped me to develop greatly as a person. I feel that the biggest attribute that I've attained is communication, which is

after all the key to everything. But I also feel that I will not be able to have achieved anything I have without the Extension agents that have provided me with resources and support I needed. With the federal support of Extension, it allows Extension to be the best that it can because it is the backbone of 4-H. So thank you for your time, everybody.

MODERATOR: Thank you, Tricia.

[Applause.]



MR ARTHUR HERSHEY: Good morning Mr. Secretary and everyone else. I'm state representative Orin Hershey from Chester County. In addition to being a lifelong dairy farmer I've served in the state legislature for the past 23 years and am presently chair the House of Representatives Rural Affairs and Agriculture Committee. It is both as a farmer and in my role as Chairman that I welcome you here. Thank you for this opportunity to comment on the up and coming federal farm bill.

I remember the time years ago when farmers in this state didn't pay much attention to the federal farm bill because it seemed that all the programs were geared to the large Midwestern, Southern and Western states. In recent years this has changed and we in the Mid-Atlantic have benefited from several aspects of federal farm policy. This is a positive development and in order to see it continue I'd like to focus on two areas of importance to Pennsylvania farmers.

First and foremost is the EQIP program. In my mind the single biggest challenge facing both immediate and long-term, facing Pennsylvania producers is compliance with environmental regulations both state and federal. But often driven by federal expectations. Therefore my very specific recommendations are (1) the highest priority for EQIP funds be for practices that farmers must adopt to attain regulatory compliance (2) that farmers required to meet certain regulatory requirements be given priority when distributing funds.

Yes farmers must be good stewards of the land but the expectations and costs of compliance to become such that in order to survive farmers required to adopt certain practices or technologies must receive priority in environmental funding programs such as EQIP. Secondly, with dairy the largest segment of our agricultural economy, it's critical to Pennsylvania that the Milk Income Loss Contract be continued.

This safety net provides valuable protection against detrimental effects of volatile prices, helps create the cash flow predictability that is essential for sound business planning. Our dairy farmers want to grow their businesses and are willing to accept a certain amount of risk to do so nevertheless the safety net of the MILC loss contract may provide enough certainty to make the difference between success and failure. I also serve on the Chesapeake Bay Commission. We are charged with recommendations from the farm bill reform. Thank you for the opportunity to speak here today.

MODERATOR: Thank you.

MR. ALLYN LAMB: Mr. Secretary I am Allyn Lamb and I am President and CEO of AgChoice Farm Credit headquartered in Mechanicsburg, Pa. We're but one of over 90 Farm Credit Associations across the country. The over 7,000 farmer owners of AgChoice Farm Credit ask that USDA be receptive to recommendations emerging from the nationwide Farm Credit System (FCS) Horizon Planning Project, which I believe you are already familiar with. Specific recommendations will be forthcoming in January 2006.

I have three general points I would like to make. In the Farm Credit title that will be part of the 2007 farm bill, we ask that you provide tools that will enable the FCS to provide enhanced financial services that work to the benefit of the farmer-owners of the FCS and enhance the quality of life in rural America. A strong, healthy rural infrastructure is one key element to assure that farmers can be competitive today and in the future. The FCS is ideally positioned to assist.

Clearly, this is point 2, government programs have contributed to making it more difficult and costly for young farmers. Yet there are many young farmers willing and motivated to farm.

We encourage an approach that leverages resources and expertise that are available both privately and publicly and through state initiatives such as we have in Pennsylvania with the Small Business First and First Industries funding programs. And number three, we believe that effective risk management begins with the farmer using crop insurance rather than depending on ad hoc government support in times of crop failure or economic distress due to low crop prices. We urge that crop insurance be the centerpiece of the 2007 farm bill. Thank you for the opportunity to speak today.

MODERATOR: Thank you. Next.

MR. NORM LATHBURY: Good morning Mr. Secretary. My name is Norm Lathbury. I am the Centre County Agricultural Land Preservation coordinator and I'm here representing the Pennsylvania Farmland Preservation Association today.

With regard to question one that was in your pro forma and with regard to the Farm and Ranch Land Protection Program, Pennsylvania and other states have legislative programs in place such as Pennsylvania's Act 43 that provide the process and procedures for farmland preservation. Pennsylvania, Maryland and New Jersey lead the nation in farmland preservation. And because of Pennsylvania's well-established programs there have been no violations of the federal Farm and Ranch Land Protection Program. Therefore, Pennsylvania and the counties that participate with the Bureau of Farmland Preservation program and the Department of Agriculture should be exempt from federal policy requirements, especially the two percent limit on impervious cover because many family farms that otherwise qualify for our program are reluctant to agree to the federal addendum to the deed of easement because of the relatively small acreages ranging on average from less than 100 acres to 175 acres across the Commonwealth.

Many county agland preservation boards are also reluctant to participate and therefore do not submit farms for federal funding. For example in 2003, Pennsylvania had 41 farms for the federal Farm and Ranch Land Protection program. In 2004, only 19 farms were approved. Consequently, only half of the \$5 million that was allocated to Pennsylvania was used because of these restrictions. I feel certain this is a sterling example of unintended consequences.

With regard to question three and this was relayed to me by our local food market and food network, fruit and vegetable growers should be included in the farm subsidies program in some way. These farm families should be eligible to receive a fair share of what is perceived by many as preferential treatment and payments to the lobby strong food corporations. The interest by consumers to purchase locally grown products is steadily increasing thereby encouraging farmers to expand their operations in a very tight market. Subsidies would add a significant financial incentive to broaden their investment.

And lastly with response to question four, while not related but it has a direct impact, the Joint Committee on Taxation has recommended that charitable gifts be eliminated or severely curtailed as the result of some unscrupulous behavior on the part of a few so-called non-profit organizations. The consequence of this recommendation will have a significant impact on bargain sales, installment payments and like-kind exchanges because there will be no tax incentives for land owners to participate at that level. Some of our county land preservation boards offer only bargain sales as a way to stretch their very limited resources. Thank you for this opportunity.

MR. LEWIS HOLLY (sp): Good morning my name is Lewis Holly. I am a dairy and beef producer from Northeastern Pennsylvania where I utilize grazing in my operation. Our farm has been preserved in the Pennsylvania farmland preservation program. Over the years, in trying to improve my operation and in performing some custom services to other property owners in the

area, I've come to the conclusion that the sod or grass-base has become stronger and more dense on grazed areas while the sod or grass-base has deteriorated on neighboring CRP ground.

I believe that strong sod will lend itself to healthy soil, which in turn will do a better job in water retention and water filtration. It seems to me that the wildlife agrees with me as the numbers in my pasture seem to grow and while mowing CRP ground I seldom see wildlife. I would like to ask USDA to study both short and long-term effects of grazing under good management systems and compare that data to sod and soil health to any type of set aside acreage short and long-term. If grazing turns out to be better for the environment than the present rules for CRP or CREP allow now, we should consider opening these lands up to managed grazing. It has come to my attention in recent farm press that I am not alone in this thinking and I have footnoted that source. Thank you for choosing Ag Progress Days for this type of forum and thank you for choosing this type of format to allow for producer input.

FEMALE VOICE: Mr. Secretary, welcome to Pennsylvania and thank you for including our Commonwealth in this nationwide listening tour. ...I am a third generation farmer from Lancaster County, PA, the most productive, non-irrigated county in the nation. I am also the Director of a non-profit organization, Pennsylvania Farm Link that has as its mission, creating farming opportunities for the next generation. And I am also on your Beginning Farmer Advisory Committee. Working with farmers and personally farming myself has given me the opportunity to make several observations.

Land values, especially those in productive areas that are under development pressure, are escalating at a pace that is having a profound impact on beginning farmer's ability to purchase land. Let me provide you with a personal example. In 1987, when we purchased the farm from my parents, we paid six times more than they did. Sixteen years later, we bought the second farm in 2003 from my family and paid over 50 times more than they did. No beginner could begin to approach such land values and hope to have the farm stay solvent.

As I see it we need to develop incentives and programs to preserve the farmer in addition to the land. Please consider tax incentives to rent land to the next generation should become law. Your home state of Nebraska serves as a good example for other states and the federal government. Two, consider a safety net for farm income. Our present safety net programs generally benefit farmers producing selected commodities, the primary beneficiaries being larger farmers. A safety net could particularly help beginners devote more time and energy to getting profitable farm businesses established. And three, provide funding for the National Farm Transition Network for administering and distributing funds to member programs that serve the educational and resource needs of beginning and transitioning farmers. Matching funds would allow USDA to leverage state and community dollars while securing proven expertise and real benefits for farmers. Thank you.

MODERATOR: Next.

TAPE BREAK--

-- portfolio. In Pennsylvania last five fiscal years 120 of us have put out \$1.3 billion. Mr. Secretary, with your leadership we can build strong rural areas, but we need an increase in our programs in all the USDA agencies. Rural Development is the only agency that can build a town. Our sister agencies can help feed them. We want to help you create a strong rural area. We ask for the increase in funding. I'm proud to be a federal employee under the USDA. And again, thank you for coming to Pennsylvania.

MODERATOR: Thank you. We'll now take a 10-minute break. We'll give you a two-minute warning before we start back up again. Thank you.

[Recess]

[Off and on the record]

MODERATOR: Please be seated. I want to make sure everybody has a chance to speak, so it's important that we get started. Get in line if you have not had your chance to speak yet. Okay, we're ready to go. We're going to begin to my right, so please introduce yourself and remember the red, yellow, green system here. Please, begin.

MR. TOM STECKLE (sp): Thank you. Good morning, Mr. Secretary, Congressman, Dean. I'm delighted to have this opportunity. I'm certainly delighted that you're here in Pennsylvania. My name is Tom Steckle. I'm from Winona (sp) Farms in Ligonier, Pennsylvania. And I have been a participant of CRP for almost 20 years. I truly hope that the USDA will continue those types of programs, and I want to talk a little bit about how we might be able to enhance them for both the producers and the conservation side.

When I first started in CRP it was all from the FSA and there was not a lot of conservation involved as far as the wildlife enhancement. It has since gone almost totally the other direction where it is all geared toward wildlife enhancement. I support both of those approaches, but I believe that in working with those CRP lands we can enhance the renewable energy approach, still have the production agriculture, and not negatively impact wildlife or conservation in the environmental way.

The conservation programs -- and we heard others speak here today -- are not necessarily for, and especially the CRP and CREPS, for those lands that are high-production lands. But we have many lands here in Pennsylvania that are marginal, and I hope that those marginal lands can be utilized for production for renewable energy.

The approach of using the renewable energy-- we really need USDA's support, and we need to keep those programs in the FSA but have other programs involved as well.

I appreciate the opportunity and hopefully you will continue those types of programs. Thank you.

MODERATOR: Thank you. To my left.

MR. ROBERT MCCracken (sp): Good morning, Mr. Secretary. My name is Robert McCracken. I represent American Farmland Trust, a national conservation organization working in Pennsylvania to help save the land that sustains us. AFT believes that major changes in agriculture policy are on the horizon. However, we believe that those changes should not occur without the active participation of farmers and ranchers from most sectors of agriculture. To that end, we've held eight forums across the country over the past five months involving 280 farmers and ranchers to get their insights and ideas on farm policy.

Two of our forums involved producers from Pennsylvania. Their comments echoed much of what we heard from across the country. First, farmers and ranchers want access to programs that enable them to effectively manage risk such as revenue-based insurance, improved crop and livestock insurance programs, and farmer savings accounts.

Second, they support programs like the Conservation Security Program that promotes stewardship by rewarding farmers and ranchers based on the environmental benefits they produce rather than on production of commodities.

Third, farmers and ranchers are in favor of programs that nurture entrepreneurship and that enable them to increase revenue through value-added products, direct marketing opportunities, and renewable energy production.

Finally, in order to minimize the impacts of globalization they support programs to help producers and communities' transition to the global market by identifying new markets, developing business plans and providing technical assistance.

Based on the input from farmers and ranchers, AFT is working with partners across the country to develop a new U.S. farm policy that links agriculture spending to stewardship rather than to the production of commodities, that provides effective risk management tools, and promotes new marketing opportunities.

We have a unique opportunity to create policies that maintain needed protections, encourage diverse production and save our best land. American agriculture and its producers deserve no less. Thank you for this opportunity to comment.

MODERATOR: Thank you. We're still getting a fair amount of background noise up here, so for those of you in the back of the room could you please take your seats, or if your conversation's that important take it outside? Next, to my right?

MS. BETSY HUBER: Good morning. My name is Betsy Huber, and I'm the president of the Pennsylvania State Grange. The Grange represents approximately 20,000 rural Pennsylvanians, many of whom are farmers. Thank you, Mr. Secretary, for allowing me to express the views of the Grange concerning the next Farm Bill.

The Grange believes the federal farm policy should encourage innovative farm practices such as part-time farming, new uses, organic and biotechnology. We also support federal farm policies that provide credit, risk management, environmental stewardship, and income support programs for family farmers regardless of the crop or livestock they produce.

The Grange supports the extension of regional dairy programs to all U.S. dairy farmers and consumers. We also encourage financial assistance for moderate-sized dairy farms. We believe that milk protein concentrate should be included in U.S. trade agreements. We support the extension of the MILC program with the intent of supporting dairy farmers during times of low prices, without encouraging increased production.

The Grange encourages increased farm income by reducing domestic and foreign barriers to agricultural trade. We support new trade negotiations only when our trading partners agree that agricultural trade agreements improve the standard of living for all affected farmers including U.S. agricultural operators.

Preventing foreign subsidies from undermining domestic agricultural prices or a natural resource industry should be a priority in a national Farm Bill.

Finally, the Grange would like to see restricted sales of government-owned agricultural products that reduce farm income and compete with current farm operations. The Grange strongly supports the Cooperative Extension Service as well as the Land Grant Universities in their effort to maintain a quality extension program in their respective states. Our Land Grant

institution provides farmers with research, education, technological advances and leadership skills for all agricultural sectors.

MODERATOR: Thank you. To my left.

DON RANK: Good morning, and thank you for this opportunity to meet here. My name is Don Rank. I'm from Lancaster County, Paradise, Pennsylvania. And I'm a member of the Lancaster County and Pennsylvania and American Farm Bureau Federation, and I'm also a member of Land O Lakes Milk Cooperative, and I support the policies of both of those organizations. And I only have two comments.

One is, one of those policies of the Farm Bureau is to shorten the term of farmland preservation. The term "perpetuity" or "forever" shouldn't be in there. It is a problem that is going to only get worse. We believe that shortening the term or leasing of development rights would be a far better way to spread the money and the opportunity for planning among all farmers rather than less than two percent of the farmers who now take part each year.

And the other point I'd like to make is a commendation for you, Mr. Secretary, and that is on the way you're handling the BSE question. I know there's a lot of flack that you're getting from some quarters, but I know also that by following it carefully the quick test, the ELISA test that's being used by Japan and other countries to test every beef animal, doesn't catch all of them anyway, so why would we do that? It doesn't make logical sense. And using the current Gold Standard is the way to go.

So if we go to the other test yet, fine, but I like the way you're handling it. Thank you very much.

MODERATOR: Thank you. To my right.

MR. FRANK BURGGRAF: Welcome to sunny Pennsylvania, Mr. Secretary. My name is Frank Burggraf. I'm the president of the Pennsylvania Farmland Preservation Association, which amounts to about 30 counties, a little over half of those counties in Pennsylvania that have easement programs. I particularly represent those administrators.

This is in relation to your Question Number 4 on how can farm policy best achieve conservation and environmental goals. I would suggest that when selecting conservation easements to fund, added weight be given to those easements that incorporate 100-year federal emergency management agency flood plains, particularly those easements that could contain a significant amount of undeveloped flood-plain area.

The benefits to farmland preservation, the environment and avoidance of future remediation costs of developed flood plains is obvious. Nearly all counties have flood plains, particularly in Pennsylvania. Development of flood plains leads to further storm water problems and remediation costs downstream.

The vast majority of wetlands are located in the flood plain. By definition many of the riparian areas and the flora and fauna within are located in flood plains. Remediation costs to buy out future development in the flood plain will be prohibitive. A significant amount of prime farmland soil is located in the flood plain, and by directing perpetual conservation easements to farmland that includes flood plains the question of a constitutional taking is put to rest, which is not the case if flood plain development is prohibited by local ordinances.

Conservation easements purchased on flood plain lands would be a bargain for taxpayer dollars, depressed appraisal values, multiple federal, state and local goals, ensure future floodplain insurance costs, and insurance claims would be less likely to increase and in addition preserve our farmland.

I'd like you to rely on our association of members anytime you would need some help. Thank you.

MODERATOR: Thank you. Next, to my left.

MR. JAY WISLER (sp): Thank you, Mr. Secretary, for having this forum. I'm Jay Wisler. I've been in the farming family since the state of Pennsylvania and descendent before the United States was a country. My comments will be specific to the conservation programs of the Farm Bill.

CRP and now CREP in Pennsylvania are good examples of how well meaning programs get out of hand. Many of my fellow farmers question why CREP program takes whole farms instead of just riparian buffers, why land rental rates are 1.5 to two times going ag rents in the area, why trees are planted when grass alone would work to improve water quality at a much lower cost.

I'm not against conservation, I'm not against improving water quality. It would be like being against motherhood and apple pie. I'd like to see better program management. The gentleman who spoke from Centre County and talked about how noxious weeds are handled in the CREP program should come with me, and I'd like to have you, Secretary, come with me and we'll go to the counties that I farm in and I'll show you the main three plants in CREP ground are Canadian thistles, trees and multiflora rose. In the last three years I've complained to the state FSA Committee, my local committee, and I'm always told something's going to be done. But every year it's worse.

Thank you very much. The USDA is the largest land renter in the state of Pennsylvania now. That's hard for a beginning farmer to compete against them.

MODERATOR: Thank you. To my right.

KEN MARTIN: Good morning, Mr. Secretary. Sorry about the rain, but we love it. We needed the rain. My name is Ken Martin. I represent Furmano Foods, a food processor in central PA. We process tomatoes and snap beans and dry beans.

I'll be specific in my comments also. Regarding the FAV section in the 2002 Farm Bill, currently that has been a handicap to some of my growers. I'm also a field rep specifically for tomatoes, but it's been a handicap both in crop rotation and on some penalties where a farmer unknowingly planted a nonprogram crop, specifically sweet corn or tomatoes or snap beans, and was penalized for that.

There is some work in Congress, and I'm sure you're aware of it. Senator Dick Lugar has sponsored a bill that is working on the Farm Flexibility Act. I just would like to promote the idea that we can do something with the processing crop. I know the fresh market people have been very vocal in opposing any changes or reopening the Farm Bill for any changes in the FAV. I would submit that we are a bit shortsighted in that in the fact that we would like to work with the fresh produce people, but from the processing view it's been a handicap because we can't rotate for disease pressures.

And I also sit on the PVGA, Pennsylvania Vegetable Growers Association, as a director. And I'm here to support their view too. We would like to work with the fresh market, United fresh people, and that's been handicap. We've had some problems with some penalties and some losses in DCP payments. If you could do anything for that, we'd really appreciate that.

There is work in the Midwest; the Frozen and Canned Coalition has been real active. We are a member of that organization too, and I do appreciate the opportunity to put that on the front burner. Please look at that real tightly for the new Farm Bill in 2007. Thank you.

MODERATOR: Thank you. Next to my left.

MR. JIM MINESKE (sp): Thank you, Secretary, for being here and for holding this important public forum on farm policy. My name is Jim Mineske. I'm a resident of Centre County. I'm not a farmer. I apologize for that. But I am an educator. I teach at a local college of some repute around here.

One of the things I think about unintended consequences are not just unintended consequences of the farm policy itself but consequences that relate to our inability to integrate comprehensively farm policy with energy policy with economic development policy and environmental policy. These things do not all exist in a vacuum.

Let me give you one example. I think our energy policy in past administrations and the current administration is not what we could really achieve. We could achieve so much more. An example is in Carroll County, Missouri, there are farms being bought up by Associated Electric Cooperative, Incorporated, headquartered in Springfield, Missouri. I know this community because my wife grew up in this community, her grandparents farmed there. Farms are being bought up for the purpose of putting in a 660-megawatt coal-fired energy plant to produce electricity.

Are we so hungry for electricity in this country and turning our backs on energy conservation that we have to take productive cropland out of production in order to build coal fired power plants? I don't think that's the way we want to go, and I think energy policy should not support increased building of power plants to take farmland out of production. That's one unintended consequence of not just farm policy but also energy policy.

Farmers in many rural communities are economically disadvantaged and they look to those kinds of ways to make money, sell their farms, because farming's not making the money and they're selling out to companies like that.

Also I'd like to see, as a scientist I'd like to see us put more emphasis on integrating sound science into policymaking and less of ideological politics. I think we've been doing a good job in this country of doing that, but I'd like to see more of it. And I'd like to support sustainable agriculture with my tax dollars as a taxpayer. Thank you.

MODERATOR: Thank you. Next to my right.

MIKE PRESS: Good morning, Mr. Secretary. My name's Mike Press, and I'm a land producer that's participated in several Farm Bill programs. The Ewe Lamb Replacement Program, the EQIP and CREP Buffer program, these programs all help beginning farmers get up and running while protecting water quality and providing wildlife a place to live. Like most Pennsylvania farmers, I also have a second income source. I'm also the Pennsylvania Game Commission's new Private Lands Biologist.



The Pennsylvania Game Commission has developed a strong conservation partnership with the Farm Service Agency and the Natural Resource Conservation Service. We've developed a cooperative agreement with the NRCS to provide technical assistance to help deliver conservation programs that provide wildlife habitat benefits to the commonwealth.

The largest of those programs has been the Conservation Reserve Enhancement Program. Pennsylvania now leads the country in acres enrolled in CREP with 140,000 acres enrolled in the program-- helping to make up for our historically low enrollment in CRP.

I'm happy to report that the CREP program is working in Pennsylvania. Our average contract enrollment is less than 20 acres. Our miles of streams buffered is 10 times what it was before CREP, and we have restored over 28,000 acres of native grasslands.

Grassland birds are responding positively, and the program is having a landscape scale effect on grassland-dependent wildlife addressing one of the goals of President Bush to assist natural habitats for wildlife.

We encourage you to maintain wildlife as a conservation coequal in the 2007 Farm Bill and to incorporate wildlife concerns fully in new conservation programs like CSP and EQIP.

Finally, I would like to address a current issue with CREP and FSA in Washington, DC. As you have heard, we have more grass and hay in rotation than most of the other agricultural states. Pennsylvania's CREP is unique in the country because we have hay land in rotation eligible for CREP. FSA in Washington, DC is proposing to remove hay land eligibility from our CREP, and we oppose this proposed change, which will have a negative impact on our ability to use CREP to improve water quality in the Chesapeake Bay and Ohio River.

And everyone else has got comments and complaints, but I want to say one thing -- you guys are great.

MODERATOR: I'm sorry. I've got to cut you off. We're going to move on to the left. Thank you.

MR. GARY GILMORE (sp): Good afternoon. I'm Gary Gilmore. I represent the American Tree Farm Program here in Pennsylvania. Now Pennsylvania is home to roughly half a million private forestland owners who own 10 acres or more. Pennsylvania as its name implies is a very wooded state. We've got more woods now than we did 100 years ago, and because of that we have a large forest products industry. It's actually the fourth largest industry in the state, very strong economic engine. And Pennsylvania is the number one producer of hardwoods in the entire United States.

I just saw that you gave out a \$2.9 million grant to the hardwoods industry. The hardwood industry of course depends on hardwoods, and most of this in Pennsylvania comes from these private forestland owners. Forestry isn't just simply growing trees. There are a lot of problems out there. It doesn't happen accidentally. We've got invasive species. We've got pressure of development. It seems like forestland is what you do with land when you have nothing else to do with it, so it's kind of a default product. But it's a very valuable one.

Now in the past we've had help from some programs. We had the Forestry Incentive Practices Act, we had the Stewardship Incentive Practices, and latest one was the Forestland Enhancement Program. That one has kind of nose-dived, as you well know, and is not very active, at least in Pennsylvania.

As a renewable resource, these landowners need help to keep these forests sustainable. And these incentive practices are a very strong incentive to do that. So I'm asking you to please give strong consideration to the forestry sector in giving incentives to help these landowners to promote forestry. And in many counties in Pennsylvania the forestry products outweighs the agriculture products as far as economic value. So thank you, and thank you for bringing the rain.

MODERATOR: Thank you. Move on to our right.

MR. BRIAN BRAKE: Yes. My name is Brian Brake. I'm an owner/operator of a 40-cow dairy herd in southern Franklin County. I just completed my first year in a dairy business, and I've utilized the CREP program to maximize my value dollar per acre. I have some marginal farmland that goes along a stream that's a tributary to the Chesapeake Bay, so I would urge you to continue strong conservation funding in the next Farm Bill.

It's obvious to people when they see this that this is a project that works. They can see that the cows are out of the stream, native vegetation is growing, and they can see their actual tax dollars at work.

I also work with the Chesapeake Bay Foundation to put in a manure storage pit, and it's been very -- again having, utilizing the runoff off the area farm it becomes very beneficial. So again I would urge you, strong conservation funding in the next Farm Bill.

MODERATOR: It's on.

MR. BRIAN SNYDER : Mr. Secretary, my name is Brian Snyder. I'm executive director of the Pennsylvania Association for Sustainable Agriculture. Our banner is right over there on the wall.

I'm sure Bob intended to mention that one of the things we're proud of in Pennsylvania is we have the largest and most active sustainable ag community east of the Mississippi River. So I'll just make a few points here because you've heard from a number of our members already.

First of all though, people have thanked you for an awful lot of things, but I want to thank you for the rain. (laughs) It has to be the only explanation. We've tried everything -- washing cars, planning outdoor events without cover. This is actually the best rain we've had all summer, so thank you very much.

I just want to make a few comments very quickly as priorities for the next Farm Bill. Please let's think further ahead than five years. Certainly let's think beyond the next election cycle. Let's implement programs that are for the long term and not the short term. Let's not emphasize current production as much as we emphasize the future quality of our land and resources.

And you have heard a number of people use the word "conservation" here. You might be surprised to hear that we occasionally have disagreements in this state over agriculture. It's amazing actually to hear today almost everybody use the word "conservation." We are in absolute agreement that in this region of the country conservation is probably the most important aspect of the Farm Bill. So think about that.

Think about fairness, think about payment limitations. Let's spread the good money around. Let's emphasize helping more farmers rather than helping the largest farms with the biggest amounts of money.

I want to thank you again for coming, and I think what you're hearing here today is a very good representation of our Pennsylvania agriculture. And I hope it helps you with the Farm Bill. Thank you.

MODERATOR: Thank you, Brian. Next to my right.

MS. MILLIE TURNER (sp): Hello, Secretary Johanns. My name is Millie Turner. I'm the farm loan manager for the Farm Service Agency here in Centre County. I want to let you know that some of my best buddies are from Nebraska. They're from Wayne, Wakefield, Auburn, Columbus. And in 2002 they all came to visit me on a nice day in September, and it was a very happy day in Happy Valley.

Of course I also was in Lincoln in 2003, and it wasn't a very happy day in Happy Valley.

I'm proud to mention that the loan portfolio that I have in the county office here in Centre County of 100 direct borrowers 80 percent of them would be designated beginning farmers. But that's not the case nationwide, nor here in Pennsylvania. Most of the farmers in Pennsylvania are at an age where they're not considered beginning farmer, and something needs to be done to enhance the program. I'm going to offer some suggestions.

To provide incentives that allow FSA to offer innovative financing solutions for beginning farmers. The present regulations limit FSA's beginning farmer options. So you could provide tax options and incentives or benefits to landowners that sell or rent property to beginning farmers.

Increase the maximum FSA loan term for beginning farmers' down-payment loans to 20 or 25 years.

Allow FSA to be permitted to offer guarantees of the seller of financed contract for deeds.

Facilitate a secondary market for contract of deed transactions.

Eliminate or modify capital gains tax payable by sellers in land sales to beginning farmers.

Allow tax incentive for interest paid to sellers on land contracts to beginning farmers.

And allow tax incentive for interest income received by commercial lenders.

Thank you very much for coming to Pennsylvania and listening to our comments. Have a great day.

MODERATOR: Thank you. Next to my left.

MR. CHAD FORCEY: Mr. Secretary, thank you for coming to Pennsylvania and for your interest in the concerns of Pennsylvania agriculture. My name is Chad Forcey, and I am the government relations director of the Pennsylvania Landscape and Nursery Association. PL&A represents predominantly family-owned businesses in Pennsylvania's 5.6 billion nursery, landscape and retail garden center industry known as the "green industry." We employ over 100,000 Pennsylvanians in the green industry. We represent the largest cash crop, and we represent the fastest-growing segment of agriculture in Pennsylvania.

The green industry has not played a major role in previous Farm Bills due to the fact that the green industry is not subsidized. The green industry does not seek subsidies but stands in need of research and development funding. Penn State's College of Ag Sciences has provided such research and development supported by Farm Bill grant funding. PC&A asks that this funding continue as the partnership between the college and the green industry has been immensely beneficial to the green industry.

With new major challenges such as the Asian long-horned beetle, emerald ash borer, and *phytophthora ramorum*, the green industry must be equipped to respond to the next disease or pest crisis. Farm Bill funding can help bridge the widening gap between current resources and these needs.

Historically the Commodity Credit Corporation has been a strong funding source for quarantine and eradication efforts, but Congress has been scaling back the program.

Finally, Mr. Secretary, I want to direct your attention to the most vexing problem in our industry, and that is labor. We need labor and immigration reform. Senator Larry Craig has an excellent bill, the Ag Jobs Bill, that will put American agriculture on the right track to solving the labor problem. Ag Jobs provides a road map to better national security and economic security and will ensure that the green industry has the labor that it so desperately needs.

Mr. Secretary, with your leadership within the administration we will meet this challenge and continue to grow American agriculture to meet the demands of a new century. Thank you.

MODERATOR: Thank you. To my right.

MR. DAVID WISE (sp): Good morning, Mr. Secretary, gentlemen. I'm David Wise. I'm the grandson of Mennonite farmers from Lancaster County, and I was one of those black sheep who ran off and got a college education at Penn State. It's my privilege to apply that learning to helping Pennsylvania farmers meet both production goals and also conservation goals to stay profitable and sustainable.

I believe Pennsylvania farmers genuinely want to be good stewards. They can't do that without the resources to enable them to do that. My specific work is with Chesapeake Bay Foundation. It's my privilege to supervise five field staff who at present work very closely with NRCS and FSA to deliver the Conservation Reserve Enhancement Program.

Two observations out of that association with CREP since 1998. The first is, the Farm Bill's central role in providing the foundational resources for conservation programs like CREP is critical. Secondly, while it's a great privilege for the Bay Foundation to provide staff to help deliver the Conservation Reserve Enhancement Program along with the Pennsylvania Game Commission, along with the Western Pennsylvania Conservancy, many other agencies, there is a clear need for ongoing USDA funding for NRCS and FSA staff to provide these critical programs. The private partners cannot take the place of the USDA staff who are absolutely critical.

Programming and the staff to implement the programming can help farmers voluntarily achieve vital conservation goals to stay productive and meet environmental expectations of society. So thank you.

MODERATOR: Thank you. To my left.

MR. SEAN ROBBINS (sp): Mr. Secretary, my name is Sean Robbins, from Regional Wildlife Biologists and Pheasants Forever in Pennsylvania. Pheasants Forever recognizes that Farm Bill programs such as the Conservation Reserve Program, Conservation Reserve Enhancement Program, Wetlands Reserve Program and the Wildlife Habitat Incentive Program are some of the most effective private lands conservation programs available that will help Pheasants Forever carry out our mission of providing and improving wildlife habitat.

In Pennsylvania the Conservation Reserve Enhancement Program has proven to be effective in preventing soil loss, cleaning our streams, and providing wildlife habitat. Landscape skill studies in Pennsylvania have shown that wildlife population increases in CREP areas, particularly in grasslands, are the number one declining habitat.

Locally several Pheasants Forever chapters have provided equipment, seed and manpower to help landowners implement CREP contracts, particularly for the planning of cool season and warm season grasses. Many landowners have considered these programs a success as they are seeing more and more game and nongame wildlife on their lands.

Although Pennsylvania has surpassed other states with the most acreage enrolled in CREP we feel that the program does not compete with the agriculture market. Our dryland cash rental rates are the lowest in the country due to relatively low competition for cropland acres.

What has increased is secure nesting cover for grassland wildlife, demonstrating that Pennsylvania farmers are not stewards not only of farmlands and water quality but also wildlife. Thank you.

MODERATOR: Thank you. To my right?

MR. JIM KOHL (sp): Mr. Secretary, my name is Jim Kohl. I'm a member of Furmano Foods, central Pennsylvania vegetable processor. My colleague, Ken Martin, has already talked about the concerns that we as a vegetable-growing community and processor have with the Farm Bill and the suggestions with the Flex program. I have some inserts I'll give you regarding that.

There's two other issues I'd like to call attention to that concerns us as a processor and also we grow product (unclear). We represent and have growers that draw over about a 15-state area. We also have approximately 100 growers that we draw from.

Labor supply -- we need an adequate labor supply. We use over 150 seasonal labor that we need to have a secure access to getting legal, qualified labor to enable us to process the crop. Many of our growers also use that labor supply.

We also need to find a way that the agriculture community has an opportunity to pass on the rising energy cost. When we bring product into our plant from a vendor, they tack a fuel surcharge on to us and we have no choice but to pay that if we want to have the product shipped. But yet when our growers are delivering the product to us they've already contracted the price for that product and there's no way they can pass that fuel cost on. In many cases this year that's adding between \$1.00 to \$5.00 a ton more in cost, which is basically going to eat up their profit.

So we need to find a way to equitably pass that on.

We also need to find a way to secure our own energy instead of being held hostage by a few people that are saying it's wrong for us to get our own energy that we have here in America. Thank you very much for your time.

MODERATOR: Thank you. To my left.

MR. CARL SHAFFER: Mr. Secretary, my name is Carl Shaffer. I'm president of Pennsylvania Farm Bureau. I also, believe it or not, make my living by farming. I would just like to start out by saying with all due respect, this should not be an environmental stewardship bill. It should be a Farm Bill. If I did not take care of my land I would not be making my living by farming, so I know the environment is very important. But the profitability in Pennsylvania is also equally as important. We live in a very diverse state as far as agriculture goes as you heard, and unfortunately we're competing against farmers in the Midwest as well as globally. And if the Farm Bill by some unintended circumstances gives a farmer in the Midwest an advantage it's a disadvantage to a farmer in the East.

So it's very important for this listening session to take into consideration just as crop insurance was developed in lieu of disaster payments by Congress, if it doesn't work as well for farmers in the East as it does in the Midwest or the West, we're at a disadvantage. I think it's vitally important that we need to fund research for our land grant universities, as I said, to keep us on the cutting edge in the global economy where we now do live.

Once again in closing, I want to thank you for taking the time to come here, and if at all possible continue this opportunity to give input from our geographical area in the Farm Bill. Thank you very much.

MODERATOR: Thank you. To my right.

MR. CARL GERTON (sp): Mr. Secretary, good morning. Congressman Sherwood, Dean Steele. My name is Carl Gerton. My family has been involved in the manufacture and design of industrial food processing equipment and systems since 1927. These systems are used in food plants throughout the United States and abroad.

Both my brother and I graduated from the College of Agriculture Science at Penn State University. And for the last 10 years I've had the privilege of serving as a CARET -- that's the Council of Ag Research Extension and Teaching -- speaking on behalf of this university and its importance in the role it plays in our success. And I've met with Congressman Sherwood and his colleagues in the Pennsylvania delegation over the course of the last several years.

I just stand before you this morning to make one very simple appeal. It's absolutely critical that USDA continue the base formula funds for the ag research and Extension missions that our Land Grant Universities perform. These are Hatch Act, Smith-Lever, McIntyre-Stennis (sp) and Animal Health funds. These are the funds that permit Penn State and the other Land Grant universities to respond to the critical emerging issues that confront all of agriculture every day. Each of these issues is generally unique to the states or regions, and so the kind of flexibility that we get from those funds is important.

Penn State's used those funds to build the capacity and the faculty and the staff to be competitive in NRI research grant applications. And so it's very critical. We would appreciate your serious consideration of continuing it. Thank you, sir.

MODERATOR: Thank you. To my left.

MR. SCOTT HIGGINS (sp): Good morning, Mr. Secretary, and thank you for being here. I am Scott Higgins, the CEO for the Pennsylvania Dairy Promotion Program. And first I'd like to acknowledge USDA's support of the reauthorization of the Child Nutrition Act. For 30 years plus the dairy industry's been working hard to encourage children to consume more milk.

We're in a calcium crisis in America. Six out of ten children don't get enough calcium in their diet. The new bill that you've reinstated for us has allowed us to have a level playing field to compete against the soda industry with ala carte and vending opportunities.

However, I want to address the unintended consequences that have been perceived based on the language. The language in our bill authorizes an 8-ounce serving. Unfortunately an 8 ounce serving is not a competitive in the marketplace when it comes to ala carte in vending. However, as this bill addresses health and nutrition policies throughout the United States, health and nutrition policies are being developed by Department of Education that are relying on the Dietary Guidelines of 1 percent or less of fat, and also only 8 ounce servings. That's a limitation for the dairy industry.

In a state where we are trying to grow our economy and build a more profitable dairy industry, we want the Secretary and your folks to acknowledge the fact that that can be limiting language, and the opportunity for children to have milk in portion sizes that are 10, 12, 14 or 16 ounces would help contribute toward their dietary needs and lend itself to a more profitable dairy industry.

MODERATOR: Okay.

MS. KATIE HEATHERINGTON (sp): Good morning, Mr. Secretary, Congressman Sherwood, and Dean Steele. My name is Katie Heatherington, and I'm a senior in Penn State's College of Ag Sciences as well as an eighth-generation farmer on a produce and grain farm in Schuylkill County, Pennsylvania. Agricultural education is crucial to the advancement of our industry. Not only do institutions such as Penn State need more support for education and research, but so do our programs that work through our public and private schools.

Agricultural production has had to bend to the whims of our global consumers. With only 2 percent of our population currently involved in agricultural production, the knowledge and understanding of where food originates has diminished to an alarming low.

Not only do we need to focus on groups like FFA, 4-H, and collegiate-level education, but we need agricultural education in all levels of our schools. My school did not have the benefit of an FFA and we are not alone. Our President has been an advocate for the No Child Left Behind Act to improve our school system, but our children are not being adequately educated in agriculture. The future of agriculture is dependent on our consumer base understanding where food comes from. Oil is the hot button issue in the news, and everyone here understands where their fuel originates. Food is a fuel as well and should be given the same amount of importance and focus.

The USDA, Department of Education and the Office of the President needs to find ways to incorporate a more thorough agricultural education on every level of our children's education system. Thank you for letting me speak today.

MODERATOR: Thank you.

MR. TOM RICHARD: It's a pleasure to be here. My name's Tom Richard. I live in State College where I'm a professor at Penn State and work for Dean Steele. I moved here last year from Iowa, and in fact I know Osage. I've worked with the Haybigs (sp) and the Fredericks and the Soucups (sp) who farm and run ag businesses in that town. And I know the Midwest and I know the West Coast where I grew up, and I'm learning about the East.

And one of the things I can say, we've heard about it today, is that more perennials in the landscape are going to be important in all those places-- growing more grasses, figuring out ways to improve our sustainability of our agricultural systems.

My own work is in the area of biomass, and we have tremendous opportunities there to create new crops and markets for those perennials and grasses. Today we're having an opportunity to show off some of the technologies we're developing at the University that show ways to convert some of those biomass materials into products, chemicals and fuels. And we're making great progress in that area.

I want to talk a moment about the opportunities I think we have as a nation to take those kinds of agricultural products and substitute for some of the foreign oil that we're bringing into the country right now. We're now on the cusp of being able to convert those agricultural residues, products and crops into all kinds of chemicals and fuels. I know you've been a strong supporter of that, Mr. Secretary.

We need to do that as a partnership. We need to have the partnership of the USDA, the universities, the farmers, and industry across this nation to try to figure out solutions to our challenges in that area. It's potentially a win/win solution for the environment, for the economy and for the national security of our country to try to figure out the next generation of technologies to convert agriculture into chemicals and fuels. Thank you.

MODERATOR: Thank you. To my right.

MR. WILLIS SNEETH (sp): Thank you. Mr. Secretary I'd like to thank you for coming to Central Pennsylvania to hear the concerns of the farming community. And I would just like to compliment you on your interest in doing this across our great country.

My name's Willis Sneeth. I'm a retired state employee of about two years come next month. In my employment with the Commonwealth I went around and promoted the CREP program, and a great program in my estimation. But to my surprise when I want to help my parents enroll in the CREP program, and others, they received a very cold reception at the local offices. And the reason being is that some of these farms I've tried to get enrolled in it were not participating, signed up receiving the programs from the federal government in the past.

The response I received, particularly in my parents' situation, where they are nearly half a century family farm, was the response from the local director was, You can't just call up and tell us you want to enroll in CREP; you've got a lot of hurdles to jump before you can do that.

So I would encourage your administration to take a look at the qualifications, establish some procedure that if a person is turned down that they can appeal those decisions made on a county level because it's very unfair and unjust the way they're being administered. This is not just one incident. I can give you others for example if you would be interested. Thank you again.

MODERATOR: Thank you. To my left.

MR. DENNIS WOLFF: Good morning, Secretary Johanns. My name is Dennis Wolff, and I'm a dairy farmer from Northern Pennsylvania, and the small town I live in is Millville. If you don't know where that is, it's between Roherstown, and Jersey Shore and just south of Pine Summit.



It's great to be here this morning, and I also have the pleasure and privilege of being the Secretary of Agriculture. First I would like to tell you that I really appreciate the programs that USDA offers as a dairy farmer because in the years 2002 and 2003 the MILC payments were very critical in sustaining my operation in Columbia County.

Also, as Secretary of Agriculture, I appreciate the great programs where USDA has stepped in to be our partner as it relates to the plum pox situation in Western Pennsylvania, the AI, avian flu that we have in our poultry population, as well as the Johne's Program that we partner with USDA on. And most recently in working with USDA with the CWD Surveillance in Pennsylvania as we're concerned about that coming to Pennsylvania through our friends in the New York state.

But however, Pennsylvania agriculture is changing just like U.S. agriculture is changing, so that we hope that in the future when we're looking at the Farm Bill we take those changes into consideration. We're not looking in Pennsylvania to receive money because we want our fair share. We're looking to USDA because we need that money to sustain agriculture in Pennsylvania. So the important programs like the Farmland Preservation Program, the MILC Program, as well as the Specialty Crop Program that's been introduced and we've received money before, are very, very critical to us in Pennsylvania.

Just one closing note. It's important that if block grants are given to states -- I know that's been discussed and considered -- the states like Pennsylvania are considered because of the very large commitment we have from our state government to support Pennsylvania agriculture, whether it's our Farmland Preservation Program, our Animal Health Program, they are all very, very critical to Pennsylvania. I hope that's part of the formula if that happens, so Congressman Sherwood we appreciate your support and our partners with Pennsylvania delegation in Washington, Dean Steele at the Penn State University, the partnership we have with PDA has been an excellent one. And Secretary Johanns, once again thank you for being here today.

MODERATOR: Thank you. To my right.

JIM SHIRK: Good morning, Mr. Secretary. Welcome to Pennsylvania, and thank you for taking the time to conduct a listening session on the Farm Bill here at Ag Progress Days.

My name is Jim Shirk, and I'm here this morning wearing several hats. One from a family farm in Lancaster County, one as president of Penn State's Ag Council, and one as an employee of Winger Feeds, an agribusiness that has been in business for over 60 years.

My wife and I are the ninth generation to live in our family's farm, and God willing my kids will be the tenth generation to be on that same piece of ground. The farm came into our family in 1758 and has survived over the years by adapting new technology to remain viable business, just like thousands of other farms in our great state.

Events like Ag Progress Days and many others coordinated by Penn State showcase tested opportunities to see how they can be implemented on our farms at home. This has been the case for 150 years since the inception of Land Grant Universities, and it is an important element for the future of agriculture.

The basic two-fold premise of the Land Grant University system in the United States is to conduct research and share knowledge with citizens. There is no better example of that than here in Pennsylvania. We have great access to top-level research and professionals who see the practical applications for farms here in the Commonwealth. This is possible through state and local support for it recognizes the importance of funding local priorities.

My concern with the Farm Bill is that the federal funding for ag research and extension could become so focused on national priorities that the local issues that we depend on could eventually fade away. Pennsylvania's farms are highly diversified and specialized because of our geographic features, proximity markets and the ingenuity of our producers. The specialization requires specific local research and extension which would in many cases fall outside of what would be considered national priorities for agriculture.

It is imperative for the new Farm Bill policy to continue to provide stable and long-term funding for Land Grant Universities to conduct research and extension on local priorities.

Agriculture is a tremendous economic engine that would be throttled back without sound science fueling its growth. We must have research and extension agents who are fully funded to develop and share their expertise with residents who may be unduly alarmed by the tremendous amount of misinformation and half-truths promoted by anti-agriculture organizations.

The next Farm Bill should continue to recognize the significant role of agriculture research and extension in providing credible information to the ag industry and/or our neighbors to ensure the next generation of food and production for the United States.

Thank you very much, and enjoy your visit.

MODERATOR: Thank you. Next to my left.

MS. CHARLENE SHOOP (sp): Thank you. My name is Charlene Shoop. My husband and I live in Lancaster County. My husband is a seventh-generation dairy farmer, and we have the privilege of representing the Pennsylvania State Grange as part of their Youth Grange representation team this year.

What I would like to talk to you today about is Pennsylvania Grange's concerns with the environmental programs. The Grange supports programs that will help sustain and enhance family farms by providing economic and tax incentives and credit or tax credits for soil and water conservation without escalating advantages to nonfarm investors. We continue to support the use of lands for food production as long as the enterprises are operated under best management practices established by NRCS. The Grange supports federal funding for soil conservation including significant funding to retain technical assistance for conservation.

Annual agriculture conservation program appropriations should be maintained at a level that will significantly help to meet the conservation needs of our farmland. Federal ACP guidelines should provide authority to local communities so they can best meet conservation needs.

The Grange supports voluntary programs to control specific known nonpoint sources of agriculture production. We support conservation tillage practices and other types of sediment control.

We encourage broad participation in Soil and Water Resources Conservation Act to assure that quality, locally designed and controlled conservation programs are developed in order to meet the needs of family farms.

We specifically support the continuation of cost-sharing programs to establish grass strips along boundaries of cropland, fields and waterways to control soil erosion and runoff. We also support programs offering at least 50 percent cost-share assistance to correct agriculture

pollution and free technical assistance prior to non-income producing practices that require major expenditures.

Again, thank you for your time.

MODERATOR: Thank you. Next to my right.

MR. DON MCNUTT: Good morning, Secretary Johanns. It's a pleasure to be here this morning. The task you have in front of you with the 2007 Farm Bill is daunting. My hat is off to you.

I'm Don McNutt. I serve as the district manager of the Lancaster County Conservation District. It is at the district level in which we see many programs come together both from federal and state agencies, and it is our job, rather daunting like yours, where we have to find common ground and common sense between federal regulations.

Particularly I look at Question Number 4, and I see the achievement of conservation and environmental goals. On first glance, that question has a degree of incompatibility, but that is wrong. The difference is not in the need for a plan but in the look behind the science that is there.

Farm conservation plans have been built on the best technology available through NRCS. They have applied that to our farming operations to have minimum soil movement. When we look at environmental goals, we often see conflicting agencies -- U.S. Fish and Wildlife, Pennsylvania Game Commission, Pennsylvania Department of Environmental Protection -- may all have their ideas on how they're going to protect the little turtle in the northern part of Lancaster County. It is very frustrating for the farmer to try and sort out what happens there, and also for us as an agency to put together an inclusive, comprehensive farm plan.

I will tell you that the farmers of Lancaster County are interested in farm conservation planning. The partnering agencies together of the district and NRCS are ratcheting up the goal in Lancaster County to be able to produce 20,000 acres of conservation planning per year. Just last year we only planned about 4,500 acres. With 400,000 acres in the county we need to get moving.

The Farm Conservation Plan is appropriate. We encourage it. I encourage you to do what you can to continue the partnership. Thank you.

MODERATOR: To my left.

MR. RICH PALLMAN: Mr. Secretary, Dean Steele, Congressman Sherwood, I want to thank you for giving Pennsylvania agriculture to express our opinions on the upcoming Farm Bill. My name is Rich Pallman, and I'd like to make a couple general comments as a vegetable and poultry producer and not necessarily as the state director for the Farm Service Agency.

There's a couple things I think maybe haven't been addressed directly from my standpoint and my limited experience being in the poultry industry and the vegetable industry, there's been very few things that we've benefited from in previous Farm Bills. And I think that to have a one-size-fits-all Farm Bill is very difficult. I think we would like to see a little bit more flexibility maybe depending on regions or what growing seasons you have in your states and things like that to give us the opportunity to tailor some programs more to what our particular agriculture is.

There's another issue that I'm a little bit concerned about, and I think Congressman Sherwood can relate to this a little bit, and it goes back to payment limitations. And it's not necessarily that Pennsylvania producers reached the upper limit on the payment limitations, but we have payment limitations within particular program areas itself. And how we define who's eligible for those payments I think is a real issue.

And the fact that because a farm is set up as a partnership versus a family corporation, and that family corporation -- and I'll use the example in disaster payments -- being limited to a payment of \$80,000 when they may have five members in that corporation; and a family partnership having the same number of members in a partnership and having their payments being limited to \$400,000, \$80,000 apiece, I think that's unfair.

I think we need to have fair and equitable treatment for all producers, be it a single limit or whether it's per individual. So I think that's something that needs to be addressed in the future Farm Bill, the payment limitations and not create scenarios that cause people to structure an operation just to garner more money from the program.

Thank you.

MODERATOR: Thank you. To my right.

MS. KELLY O'NEILL: Good morning, Secretary, and welcome to Pennsylvania. I'm Kelly O'Neill. I grew up on a farm in Northeastern Pennsylvania that grows apples. And right now I'm working for the Chesapeake Bay Foundation. And we really hope the next Farm Bill will maintain farmers' livelihoods in a manner that also provides necessarily assistance so that they may establish conservation practices to improve water quality.

The next Farm Bill should also provide funding for new, innovative approaches to help farmers deal with some of the challenges they face especially with excess livestock manure in parts of Pennsylvania and the Shenandoah Valley, Eastern Shore of Maryland, and other areas where there's an excess amount.

Some approaches could be increased financial assistance for farms to adjust livestock feed rations so that they more precisely meet nutritional needs and minimize the nutrients in manure. And we also recommend developing more funding to help pilot tests and support innovative approaches for new uses for manure such as energy generation, composting, restoration of abandoned lands such as for mines.

Another strong recommendation is improvements and increased funding for the Conservation Security Program so that it can meet the original intent of the 2002 Farm Bill and provide support to all farmers in every watershed across the country who are meeting basic conservation criteria, especially for improving water quality.

Thank you very much.

MODERATOR: Thank you. Next to my left.

MR. RON JOHNSON: Mr. Secretary, thank you for coming to Pennsylvania and listening to our comments. My name's Ron Johnson. I'm retired from the U.S. Department of Agriculture Animal and Plant Health Inspection Service, and former county agent. I'm a soil conservationist. I'm a forest steward. I'm enrolled in the CREP program. I own a couple hundred acres of forestland and some farmland. I actively grow some crops and fruit trees and things like that. We need the continued support of USDA policies that will enable us to do that.

Having said that, I don't believe it's the federal government's responsibility to pay me for all the problems that I have on my property nor the property of all the other people. I think what USDA needs to do as the previous speaker indicated is to look long-term at ways to provide the kind of support that USDA needs to continue to provide but towards the ultimate goal of a free market system. It wasn't very many years ago that the Pennsylvania Farm Bureau and other organizations were promoting free market system. And I think every farmer and rural person in their heart would love to see a free market system.

We need the Department of Agriculture to provide the kind of leadership that will lead us in a long-term solution in that direction. We can't expect the thing to change overnight. It's going to take a long time for it to happen, but we need to move in that direction. We appreciate the opportunity to make those comments. Thank you.

MODERATOR: Thank you. Our last speaker to my left.

MS. COLTER: -- Colter. I'm with Rural and Community Forestry in Harrisburg, and like (unclear), I'd like to speak for trees. My predecessor actually, one of my colleagues mentioned the fact that there are 500,000 private landowners in Pennsylvania that own forested land. That's 12 million acres that we administer for. My section, rural and community forestry, is in charge of the cooperative forest management within the state. Our service foresters work with landowners throughout the state, and we work cooperatively with Penn State in outreach and education programs.

My request is that you consider forestry and the qualities of life that forestry brings to all of us including water quality, recreational, aesthetics, all these things, not to mention the fact that we -- \$4 billion per year is brought into Pennsylvania through forestry.

So in closing I'd just like to request that you consider forestry in the next Farm Bill. Thank you.

MODERATOR: Thank you. There's nobody else in line, so before I formally close the program I want to give Congressman Sherwood the chance for some closing remarks, and then closing remarks from Secretary Johanns.

Congressman?

REP. DON SHERWOOD: Thank you all for being here. This was a very important session, and I hope the Secretary goes home with the understanding that agriculture is very alive and well and very important in Pennsylvania. And I hope that we've made the impression upon him that we're a varied agriculture. It goes from timber to mushrooms to veal to specialty crops to fruits and vegetables, and maybe the largest impact economically of all these is dairy.

And Pennsylvania can continue to do well in a national and a world economy. We have the soil, we have the water, we have the universities for the research. We just need fair and equitable treatment in the next Farm Bill and to re-up the MILC program now for the next two years would be my most immediate goal. But there are many, many things that need to be thought of before we put this Farm Bill together. And you very eloquently talked to him about the interaction between soil and water and grazing and intensive agriculture, conservation and production agriculture. And all those things need to be taken into account.

And I want to thank the Secretary for his interest in Northeast agriculture to be here, and I want to thank you all for coming out.

[Applause.]

SEC. JOHANNIS: Well, let me offer a few thoughts if I might to get us wrapped up here today. First let me applaud your congressman. I think it speaks volumes that he was here during the entire program, and I appreciate it immensely. Then if I might also just acknowledge and express my appreciation to the dean. I thought he did a great job as moderator. Somebody's got to be the enforcer, right? And you did a great job.

Ladies and gentlemen, just a few closing thoughts. First, I so appreciate you being here. What you saw today at this Farm Bill Forum is pretty much like what we've seen across the country as we've done these -- diversity of opinion. We've had tremendous crowds wherever we've gone, and today is another good example of that.

A lot of interest. We are asked periodically, "Well doesn't this seem a little bit early in terms of starting to work on the 2007 Farm Bill?" It really isn't if you think about it. So I wanted to visit with you a little bit about process and where we go from here.

We are going to do these forums across the country. We have made that commitment. Because of that commitment we believe that it will take us through the remainder of this year 2005, maybe even a couple forums into 2006, to wrap up this nationwide tour if you will, this nationwide listening session.

We then go from that into the first part of 2006. Somewhere there in 2006 these ideas actually become a specific piece of legislation.

Now whether the Administration will put forward a piece of legislation, we haven't decided that yet. But it occurs to me that we will be significantly involved, whether it's our legislation or it emanates from Congress. It's been about 20 years since the Administration actually proposed a Farm Bill, and it's very possible that we will.

But we'll kind of get through the Forums before we make a final decision about that.

Well, a Farm Bill gets introduced then in 2006. Just to make it through the legislative schedule you have to imagine that it's probably going to be the first part of 2007 to get a Farm Bill passed. Now I believe you have to have a Farm Bill passed at the first part of 2007 just simply to send a signal to producers and the industry as to what that Farm Bill is going to be because as you know the current Farm Bill expires, or runs out would be a better description, in 2007.

So actually the timing is about right if you think about it just in terms of getting through this rather complicated process.

Now there's been some discussion about, "Well Mike, is this Farm Bill going to actually be passed prior to the expiration of the 2002 Farm Bill?" Personally, today I don't see it happening.

The last Farm Bill was actually passed a year ahead of the expiration. I don't see a lot of interest in doing that. I don't see interest out in farm country, I don't see interest in my office, I don't see interest in Congress. So I really do believe we're kind of all focused on this Farm Bill taking effect in its normal course which would be at the end of 2007, which is the length of time that this Farm Bill was passed for.

Final thoughts. What are we hearing around the country? Some of the very issues that you brought up relative to Pennsylvania have been issues we have heard across the United States. I do think that there's good support for conservation. Having said that, some of the expression of, gosh, this feels a little bit like it's competing against some of the farm interests I've heard in other states. I found that very interesting. I think the first place where I heard that was in North Dakota. But it's been a little bit of a recurring theme as we have gotten around the country.

No one is suggesting throw conservation out. That's not the case. But we are starting to hear a theme of, is there a way for conservation to work a little bit better because we do see some competition between conservation and farming purposes.

The next area that I hear a lot about is trade. I think that's probably because trade is a big issue for agriculture, but trade got so much attention in the last months because of the Central American Free Trade Agreement.

There are some obvious statistics about trade. One is that 27 percent of the receipts for agriculture do come from trade, so it's significant. The second thing is, that 96 percent of the world's population lives outside the United States. So if you're looking at your future customers, you have to imagine you'd better have a pretty proactive trade policy.

The other thing I would mention is that American agriculture is the most productive thing maybe in the history of mankind. Productivity continues to increase about two percent a year in the United States in agriculture while the population is growing at one percent or less. That statistic alone tells you, we are more productive than our ability to consume the products.

Therefore you need that foreign market.

Now as the President has said, we want to be for free trade and fair trade. That's why I was one of the big proponents for the Central American Free Trade Agreement. You had very -- in fact you had nonexistent tariffs for their products coming into our country, while when we went to sell our products into the CAFTA countries, whether it was beef or pork or soybeans or whatever, the tariffs were very high. Central American Free Trade Agreement was really designed to bring those tariffs down to level the playing field. That's what it did for agriculture.

But under any definition, there needs to be a very proactive trade agreement.

Then the final point I wanted to make, we continue to hear a lot about how do we provide for the next generation of farmers and ranchers in the United States? Maybe it's obvious because we have asked about that. It's the first question in the questions we propose. And then typically we'll start our Farm Bill Forums with young people-- 4-H, FFA. We always start with them to offer their insights as to what they see from their age standpoint. It's a really important issue, ladies and gentlemen.

You know, if you go to a state like the state I came from, but if you look at the national statistics too, farmers and ranchers in many parts of the country and on average are about my age or older, not that I'm old. But I'm 55. And you look out at that next generation, and you ask yourself, what do you want their opportunity to be?

As I've said so many times, I want them to be landowners. I don't want the next generation to be employees of absentee owners. I believe we have to have a farm policy that promotes that entry of the next generation into agriculture in a very real meaningful ownership way. And again, I think I am hearing good consensus about that around the country.

What to do about that we'll figure out as we go through these Farm Bill Forums.

Let me just wrap up and tell you how much I appreciate you being here. These have been very, very helpful to us at the USDA. I am very confident they are going to be very helpful as we work with the House and the Senate and the Administration on the passage of the next Farm Bill. Thank you all. God bless you.

[Applause.]

MODERATOR: Thank you, ladies and gentlemen. We are adjourned. Thank you for your participation.